

# United States Senate

WASHINGTON, DC 20510

January 29, 2010

President Barack Obama  
The White House  
1600 Pennsylvania Avenue, NW  
Washington, DC 20500

Dear President Obama:

We are writing in strong support of your goal to double U.S. exports over the next five years, announced during the State of the Union Address. We could not agree more with this goal. Doing so will not only generate the opportunity to create new jobs; it will also help businesses grow at home and enhance relationships with our trading partners. Additionally, we were encouraged that you specifically mentioned the need to strengthen trade with Colombia, South Korea, and Panama, with whom we have free trade agreements pending Congressional approval.

With the continuing problems with unemployment that we face, we should be pursuing every avenue to help businesses grow and create jobs. One concrete step to actually achieving the goal of expanding exports would be to implement our pending bilateral trade agreements. We support approval of each pending trade agreement. In order to follow up on your comments in this week's address, we encourage you to work with Congress to implement them as soon as possible. Enactment of these agreements would unquestionably contribute to your stated goal of increasing exports. With your support, we believe we could pass these agreements yet this year.

Analyses indicate that each of these agreements holds significant benefits for American businesses. The Latin America Trade Coalition (LATC) estimates that, since the signing date, American exporters have paid over \$2.5 billion in tariffs that would otherwise be eliminated if the agreement with Colombia were enacted. Additionally, a study by the U.S. International Trade Commission (USITC) estimated that the U.S.-Colombia agreement would boost U.S. exports by \$1.1 billion annually. Over 90 percent of Colombia's exports to the United States already enter this country duty-free under existing preference programs, while U.S. exports to Colombia face tariffs as high as 35 percent. Within the agricultural sector, the bulk of Colombia's agricultural products enter the U.S. duty-free, while zero percent of U.S. agricultural exports to Colombia are duty-free. The agreement with Colombia would level the playing field for American companies.

The agreements with South Korea and Panama would result in similar benefits. The South Korea-U.S. free trade agreement is especially timely, considering South Korea just ratified a trade deal with India roughly three months ago. USITC states that the reduction of Korean tariffs would add roughly \$10 billion to annual exports of U.S. merchandise to Korea. The South Korea agreement would immediately eliminate or phase out tariffs and other trade restrictions on a number of agricultural products. Nearly two-thirds of U.S. agricultural exports to Korea—including corn, soybeans, wheat, cotton, hides and skins, and others—would become duty free upon enactment.

The agreement with Panama would also yield benefits for agriculture and our entire economy. Over 60 percent of U.S. agricultural exports would become duty-free upon enactment. Additionally, the U.S.-Panama agreement resolves several regulatory and trade barriers, and would result in U.S. companies gaining better access to Panama's service sector.

In summary, we urge your Administration to submit implementing language for the pending trade agreements to Congress for approval and work with us to get them across the finish line. We believe that American businesses, service providers, farmers, and ranchers produce the highest quality products in the world. When given the opportunity to compete on a level playing field, they will thrive, creating more jobs and revenue at home while providing foreign customers affordable access to our products across the world.

Sincerely,

Mike Johnson

Blanche L. Lincoln

Kay Bailey Hutchison

John Cornyn

Jim DeMint

Jan E. Ryd

Pat Bond

Dick Lugar

Sam Brownback

Mike Crapo

Saxby Chambliss

Lyndee Weaver

Sean D. Paj

Sam Brownback

Mitch McConnell

John Thune

Pat Roberts

Chris G. Hatch